

Obama Administration Announces Billions in Lending Authority for Renewable Energy Projects and to Modernize the Grid

Loan Guarantees Will Help Create New Jobs while Fostering Clean Energy Innovation

Washington, DC – U.S. Energy Secretary Steven Chu announced today that the Department of Energy will provide up to \$30 billion in loan guarantees, depending on the applications and market conditions, for renewable energy projects. Another \$750 million will support several billion dollars more in loan guarantees for projects that increase the reliability, efficiency and security of the nation's transmission system. The two new loan guarantee solicitations announced today are being funded partly through the Recovery Act and partly through 2009 appropriations.

"These investments will be used to create jobs, spur the development of innovative clean energy technologies, and help ensure a smart, strong and secure grid that will deliver renewable power more effectively and reliably," said Secretary Chu. "This administration has set a goal of doubling renewable electricity generation over the next three years. To achieve that goal, we need to accelerate renewable project development by ensuring access to capital for advanced technology projects. We also need a grid that can move clean energy from the places it can be produced to the places where it can be used and that can integrate variable sources of power, like wind and solar."

The lending authority includes:

- Up to \$8.5 billion in lending authority supported by 2009 annual appropriations for renewable energy.
- Up to \$2 billion in subsidy costs, provided by the Recovery Act, to support billions in loans for renewable energy and electric power transmission projects.
- Up to \$500 million in subsidy costs to support loans for cutting edge biofuel projects funded by the Recovery Act.
- Up to \$750 million in subsidy costs, provided by the Recovery Act, to support loans for large transmission infrastructure projects in the U.S. that use commercial technologies and begin construction by September 30, 2011.

The two solicitations issued today mark the sixth and seventh rounds of solicitations by the Department's Loan Guarantee Program, which encourages the commercial use of new or improved energy technologies to help foster clean energy projects. Applications will be accepted over the next 45 days. The Department has streamlined its processes to accelerate these new loan solicitations. By investing in both renewable energy technology for generating electricity and technologies to modernize the country's transmission system, the Recovery Act targets the full integration of renewable energy sources onto the electric grid.

More information on this solicitation and the Department's Loan Guarantee Program can be found at www.lgprogram.energy.gov. Additional loan guarantee solicitations funded by the Recovery Act will be announced soon.